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July 29, 2014

ORIGINAL

RE: In the Matter of Arizona Public Service Company's Application for Approval of Net Metering Cost Shift Solution, Docket No. ~~E-01345A-13-0248~~, Innovations and Technological Developments, Docket No. E-00000J-13-0375

Dear Chairman Stump, Commissioners, Stakeholders and Interested Parties:

At the conclusion of our July 22, 2014 staff meeting wherein a majority of commissioners voted to re-open Decision No. 74202 and discussed initiating a rate design proceeding, it occurred to me that perhaps the best place for this rate design discussion would be in the Emerging Technologies docket ("technology docket") this Commission voted to open last fall.

An underlying theme of the technology docket workshop series has been that we need to re-examine our current rate design methods to account for new technologies and the evolving utility model. Several speakers provided insight on this topic and this insight would translate well into our discussions moving forward. Moreover, instead of solely focusing on net metering rate design, the technology docket has laid the foundation for a discussion on how to handle and incorporate *all* new and emerging technologies in anticipation of what is to come, instead of narrowly focusing on solar photovoltaics. As we have learned throughout the technology docket workshop series, there are many technologies on the horizon and I believe that any rate design changes we make need to be broad-based and applicable to future technologies.

Therefore, in addition to the first question contained in Chairman Stump's July 25, 2014 letter in Docket No. E-01345-A-13-0248, I would like all stakeholders and interested parties to respond to the following question: should rate design issues be limited to net metering? If not, should rate design be discussed in Docket No. E-00000J-13-0375 instead of Docket No. E-01345A-13-0248?

I am grateful to those of you who have participated in the technology docket. I believe the docket has initiated an important discussion about what is coming down the pipeline that will impact the current utility model and I hope our discussion does not end at the conclusion of this initial information-gathering process that has taken place over the past several months.

I look forward to further discussions with my fellow commissioners at a future staff meeting.

Sincerely,

Robert L. Burns
Commissioner

Arizona Corporation Commission

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